

Office of Economic Development
Economic Development Advisory Board
MEETING MINUTES

Date: October 3, 2006: 7:30 A.M.

MEMBERS PRESENT

Dale Easter
Mike Garcia
Brian Campbell
Jim LeCheminant
Vern Mathern
Ted Wendel
Steve Shope
Raul Cardenas

EX-OFFICIO

Mayor Keno Hawker (excused)
Chris Brady
Charlie Deaton

STAFF PRESENT

Betsy Adams
Wahid Alam
Shelly Allen
Wayne Balmer
Sue Cason
Harold Decker
Debbi Dollar
Teri Killgore
Scot Rigby
John Wesley

GUESTS

Roc Arnett
Andrew Cohn
Paul Gilbert
Lynn Kusy
Lois Yates

MEMBERS ABSENT

Jack Sellers (excused)
Patricia Schroeder (excused)

1. Chair's Call To Order

Chair Mike Garcia called the October 3, 2006 meeting of the Economic Development Advisory Board to order at 7:30 A.M. in the Mesa City Plaza room 170.

Approval of Minutes: EDAB Meeting – August 1, and September 7, 2006

Chair Garcia called for a motion to approve the minutes from the meeting held August 1, 2006 and September 7, 2006.

MOTION: Brian Campbell moved that minutes from August 1, 2006 be approved.
SECOND: Dale Easter.
DECISION: Passed unanimously.

MOTION: Brian Campbell moved that minutes from the September 7, 2006 Retreat be approved.
SECOND: Dale Easter.
DECISION: Passed unanimously.

2. Chairman's Report on Retreat

Chair Garcia gave a briefing on the Retreat held September 7, 2006. He appreciated the briefings given by the Mayor, Chris Brady and Debbie Spinner. The City has a lot of exciting things going on and a lot to look forward to in the future. It was decided that there were too many areas to focus on at one time and it was broken down into four focus groups. Chairs were established of these groups and members volunteered to serve on the committees. More will be discussed on this under the next agenda item.

Chair Garcia also commented that if Proposition 207 were to pass in November it could hold back the City from carrying out its Master Plan and to attract specific industries for positioning around the San Tan Freeway. The Board could be helpful in recommendations to the City Council on issues.

3. Subcommittee Structure and Report Backs

Chair Garcia asked for reports if the Chairs of the sub-committees were able to hold any meetings. So far there have been no sub-committee meetings held. He said that throughout the year there would be opportunity for the sub-committees to report.

Vice-Chair Brian Campbell stated that a related meeting was held during a breakfast on September 28th at the Phoenix/Mesa Marriott. Approximately eight people from the CVB, Chamber, DMA and Town Center Development met to talk about developing a working group that would meet quarterly to discuss strategies and align goals for the City as a whole instead of specific areas. They discussed City processes as well.

Mr. Ted Wendel asked if he could be assigned to the Health/Education Sub-committee since he was unable to attend the Retreat and unable to sign-up. Approved.

4. Continuation of Mesa's Aviation Employment Centers from Aug. Mtg.

Williams Gateway Airport Employment Area

Mr. Lynn Kusy gave a presentation on the Williams Gateway Airport Marketing Report. The following are key points of the presentation:

1. Passenger Service: Increased marketing has begun with the goal being to establish scheduled daily passenger service, which was partially accomplished with the start up of Vision Airlines on April 6, 2006. Vision started with four flights a week to Las Vegas and plans on expanding that to 16 flights a week pending FAA approval.
 - A survey was conducted as to the most favored flight destinations such as, LAX, San Francisco, Seattle, JFK, Dallas/Fort Worth, Denver, Chicago.
2. Cargo Service: Outreach began with the goal being to establish scheduled daily cargo service.

- ADOC has worked with WGA to have representation for WGA/Mesa on a website in Taipei (in the Mandarin language).
- FedEx has designated Williams Gateway as an alternate to Phoenix
- Cargo Plan
 - Manufacturers: Develop databases of traffic volumes to Asia and Europe. Deliver presentation to Arizona Association of Industries
 - Cargo Airlines: Expand dialogue with domestic and international carriers
 - Mexico: Continue to explore opportunities
 - Development: Aviation and non-aviation businesses
 - Trade Events: Continue participation at Air Cargo Americas and other events. National Air Forwarder's Association meeting in Arizona

3. Community Involvement

- Secure support from the business community
- Expand participation on the Passenger Task Force
- Commence quarterly newsletter
- Arizona International Aerospace and Logistics Center

4. Current Summary

- 50 Private Companies and Public Entities
- 4,000 Employees
- 8,500 Students
- 276,000 Aircraft Operations
- \$300 Million (est.) Airport Economic Impact

5. Forecast Summary 2020

- 2 Million Enplanements
- 338,000 Annual Operations
- 25 Million Pounds of Cargo
- \$965 Million Airport Economic Impact
- 13,000 Employees
- 15,000 Students

Urban Land Institute Advisory Services Panel – 2006 Williams Gateway Area Study

Mr. Kusy stated that the ULI looked at 42 square miles at and around the Airport. ULI Planning Advisory Services Panel came in and spent time with the community and staff to find out the issues. The Advisory Services Panel conducted tours and interviews with key people, and then gave recommendations with a summary report and a final report due 60 to 90 days thereafter. Roc Arnett, President of East Valley Partnership, was the Project Manager for the study.

The study addressed the following questions:

- Market Potential
- Planning and Design
- Development Strategies
- Implementation

The ULI Summary

- Over a 25-year planning horizon there will be a need in the study area for 1,575 acres of industrial land, 400 acres of office space and 500 acres of retail space.
- Additionally 5,250 hotel rooms at 34 sites on 105 acres and 7 golf courses on 1,400 acres should be included in the plans.
- Higher educational facility demands are twice what now is planned for 320 acres and two hospital sites with 175 beds each are needed along with other medical facilities.
- The study area build out would have 165,000 residents, nearly 70,000 students at institutions of higher education and jobs for 94,000 people.

Study Area Vision included a Passenger Terminal, a Cargo Facility on the south side of the Airport, Education Facilities, and Mixed-Use Research and Development, and Industrial Facilities on the north side of the airport. Other areas taken into consideration were land uses such as planning and zoning, desired employment, business genres, residential/jobs balance, quality of life, market forces, airport governance, consolidated infrastructure plan, financing, marketing, and educational stakeholders role.

City Manager, Chris Brady commented that it was of great value to bring all of the stakeholders together and ULI had worked on other projects throughout the valley and knew the area. The summary report gives the stakeholders the opportunity to react and process the information until the final report becomes available.

5. GM Proving Ground Land Use

John Wesley, Planning Director, General Plan Major Amendment (GP Major 06-01)

Mr. John Wesley stated that a General Plan Major Amendment (GPMajor06-01) is being proposed for approximately 1699 +/- acres just east of the Williams Gateway Airport generally bound by Ellsworth Road to the west, Signal Butte Road to the east, Ray Road alignment to the north and Pecos Road to the south.

The applicant's proposed change for the General Motors Proving Ground is from Medium Density Residential (4-6du/ac), Community Commercial, Light Industrial, Mixed Use Employment and Mixed Use Residential (30% at 15+du/ac) to Medium Density Residential (4-6du/ac), Mixed Use Employment, Regional Commercial, Community Commercial, Business Park and Light Industrial. The proposed amendment includes realignment of Ellsworth Road.

Paul Gilbert, Counsel for Property Owner

Mr. Paul Gilbert, Counsel for the property owner, Mr. William Levine, gave a briefing on a conceptual plan project to develop a "second urban core" east of Williams Gateway Airport. A 1,700-acre project is being designed as a master-planned community that would be a mix of houses, mid density high-rise office buildings, shopping centers and

business parks. The development is estimated to eventually create 17,000 jobs. The project envisioned would be another urban center. Not included in their Plan is the prospect of residential south of the freeway, but the day may come when they may want to put some residential high-rise. The City would have to change its General Plan to accommodate the development. They are emphasizing the intensity of uses in the immediate area.

The current General Plan envisions employment and light industrial uses in this area, but more of a suburban development pattern. We are including a high-density development that would yield significantly higher employment than was currently envisioned in the plan.

Pacific Property LLC hired Parsons Brinkerhoff to help them with this plan, since they were the firm Mesa used to develop the 2025 General Plan. With this background, they analyzed the plan juxtaposed against the employment opportunities under the existing plan. Their study will be submitted shortly.

The applicant agrees with many of the conclusions of the ULI Study. They felt it is important for the City to create a strong-brand identity for this area and to accomplish it through the promotion and development of a high-density mixed-use core that would include business research, academic, transportation, hospitality, retail and residential uses. They recommended that the east side of the airport near the passenger terminal should include hotels, restaurants, mid-rise office and mid-rise residential uses. From their prospective everything fits hand and glove to what the ULI has recommended for this property.

A consistent theme of the ULI Study was the importance of creating a strong residential to jobs balance where you could live, work and play in the same area. The plan facilitates that as well and limits residential to north of the freeway, which is more than the required distance away from the 65-decibel noise line.

The proposal for Ellsworth Road is to be moved toward the east and still leave the current road in place for airport access.

MOTION: Brian Campbell moved to support the General Plan Amendment on behalf of the applicant.

SECOND: Dr. Ted Wendel.

DECISION: Passed unanimously.

6. Economic Development Office Activities

Ms. Teri Killgore commented that there were three active GPEC leads in progress and two of those were in the final stages. Today a press release is coming out on the Timken Company locating at Falcon Field. We have a significant air training facility that is coming into the Falcon Field area and a news release should be coming out this week. Also we are likely to have a headquarters relocation coming to Falcon Field in the not too distant future. Superstition Gateway at Signal Butte and US 60 had a soft opening of a large Kohl's Store. Other stores such as WalMart hope to be open by February 2007.

In the next two to three weeks we expect to see a pre-submittal on the southwest corner of Southern and Extension, which is a 20-acre vacant lot.

Mr. Wayne Balmer is retiring and leaving at the end of October. The City Manager's office is working on our strategy for Williams Gateway Airport post Wayne and post ULI. Mr. Balmer has been an asset to the City and the development of the airport, and is wished the best in his retirement and new career.

Ms. Shelly Allen will be attending the ULI Conference in Denver, CO the middle of October to accept the 2006 Award of Excellence that the City will be given for the Art Center.

Mr. Tom Reyes just returned from a National Foreign Trade Zone Conference that was held in Orlando, Florida on September 17-21, 2006.

A joint meeting was held with the Downtown Development Committee, the Chamber of Commerce and the Visitors Bureau & Convention Center to discuss some partnership opportunities. The boards are looking at working together on areas where there is overlap. Will keep you updated at future meetings.

A total of 68 applicants have applied for the Economic Development Manager position. They have been screened down to 44 and are working to whittle that down to a top 6 or 8. Our hope is that a Manager will take over the first of the year.

7. Agenda Topics & Location of Next Meeting

Ms. Killgore encouraged the Board to let the office know of any topics they would like to see on the agenda. Shortage of time halted the discussion on a location. It is assumed that Room 170 in the Mesa City Plaza Building will be the location.

8. Other Business

No comments.

9. Comments from the Board and Public

No comments.

10. Adjournment

It was noted that the next EDAB meeting would be held December 5, 2006.

There being no further business, Chair Garcia adjourned the meeting at 9:11 A.M.

Submitted By:

Teri Killgore, Interim Economic Development Director
(Prepared by Betsy Adams)